

AMENDED IN SENATE AUGUST 29, 2003

AMENDED IN SENATE JULY 27, 2003

AMENDED IN SENATE JUNE 5, 2003

SENATE BILL

No. 790

Introduced by Senator Morrow
(Coauthor: Senator Hollingsworth)
(Coauthor: Assembly Member Haynes)

February 21, 2003

An act to ~~repeal~~ *amend, repeal*, and add Sections 45103.1, 45103.5, 88003.1, and 88004.5 of the Education Code, and to add *and repeal* Section 3562.3 ~~to~~ of the Government Code, relating to public education.

LEGISLATIVE COUNSEL'S DIGEST

SB 790, as amended, Morrow. Contracting for noninstructional services.

(1) Existing law sets forth certain requirements relating to higher education employer-employee relations, including, but not limited to, the requirement to meet and confer in good faith regarding terms and conditions of employment.

This bill would, *until January 1, 2006*, declare that these employer-employee relations provisions do not limit the authority of the University of California, the Hastings College of the Law, and the California State University, to enter into contracts with third parties for noninstructional services, as prescribed.

(2) Existing law authorizes school districts and community college districts to enter into contracts for personal services customarily performed by classified employees to achieve cost savings if prescribed conditions are met.

This bill would ~~repeal these provisions and would~~ until January 1, 2006, instead, authorize school districts and community college districts to contract for any noninstructional services, as prescribed.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 45103.1 of the Education Code is~~
2 ~~repealed.~~

3 *SECTION 1. Section 45103.1 of the Education Code is*
4 *amended to read:*

5 45103.1. (a) Notwithstanding any other provision of this
6 chapter, personal services contracting for all services currently or
7 customarily performed by classified school employees to achieve
8 cost savings is permissible, unless otherwise prohibited, when all
9 the following conditions are met:

10 (1) The governing board or contracting agency clearly
11 demonstrates that the proposed contract will result in actual overall
12 cost savings to the school district, provided that:

13 (A) In comparing costs, there shall be included the school
14 district's additional cost of providing the same service as proposed
15 by a contractor. These additional costs shall include the salaries
16 and benefits of additional staff that would be needed and the cost
17 of additional space, equipment, and materials needed to perform
18 the function.

19 (B) In comparing costs, there shall not be included the school
20 district's indirect overhead costs unless these costs can be
21 attributed solely to the function in question and would not exist if
22 that function was not performed by the school district. Indirect
23 overhead costs shall mean the pro rata share of existing
24 administrative salaries and benefits, rent, equipment costs,
25 utilities, and materials.

26 (C) In comparing costs, there shall be included in the cost of a
27 contractor providing a service any continuing school district costs
28 that would be directly associated with the contracted function.
29 These continuing school district costs shall include, but not be
30 limited to, those for inspection, supervision, and monitoring.

31 (2) Proposals to contract out work shall not be approved solely
32 on the basis that savings will result from lower contractor pay rates

1 or benefits. Proposals to contract out work shall be eligible for
2 approval if the contractor's wages are at the industry's level and
3 do not undercut school district pay rates.

4 (3) The contract does not cause the displacement of school
5 district employees. The term "displacement" includes layoff,
6 demotion, involuntary transfer to a new classification, involuntary
7 transfer to a new location requiring a change of residence, and time
8 base reductions. Displacement does not include changes in shifts
9 or days off, nor does it include reassignment to other positions
10 within the same classification and general location or employment
11 with the contractor, so long as wages and benefits are comparable
12 to those paid by the school district.

13 (4) The savings shall be large enough to ensure that they will
14 not be eliminated by private sector and district cost fluctuations
15 that could normally be expected during the contracting period.

16 (5) The amount of savings clearly justify the size and duration
17 of the contracting agreement.

18 (6) The contract is awarded through a publicized, competitive
19 bidding process.

20 (7) The contract includes specific provisions pertaining to the
21 qualifications of the staff that will perform the work under the
22 contract, as well as assurance that the contractor's hiring practices
23 meet applicable nondiscrimination standards.

24 (8) The potential for future economic risk to the school district
25 from potential contractor rate increases is minimal.

26 (9) The contract is with a firm. A "firm" means a corporation,
27 limited liability corporation, partnership, nonprofit organization,
28 or sole proprietorship.

29 (10) The potential economic advantage of contracting is not
30 outweighed by the public's interest in having a particular function
31 performed directly by the school district.

32 (b) Notwithstanding any other provision of this chapter,
33 personal services contracting shall also be permissible when any
34 of the following conditions can be met:

35 (1) The contract is for new school district functions and the
36 Legislature has specifically mandated or authorized the
37 performance of the work by independent contractors.

38 (2) The services contracted are not available within the district,
39 cannot be performed satisfactorily by school district employees,
40 or are of such a highly specialized or technical nature that the

1 necessary expert knowledge, experience, and ability are not
2 available through the school district.

3 (3) The services are incidental to a contract for the purchase or
4 lease of real or personal property. Contracts under this criterion,
5 known as “service agreements,” shall include, but not be limited
6 to, agreements to service or maintain office equipment or
7 computers that are leased or rented.

8 (4) The policy, administrative, or legal goals and purposes of
9 the district cannot be accomplished through the utilization of
10 persons selected pursuant to the regular or ordinary school district
11 hiring process. Contracts are permissible under this criterion to
12 protect against a conflict of interest or to ensure independent and
13 unbiased findings in cases where there is a clear need for a
14 different, outside perspective. These contracts shall include, but
15 not be limited to, obtaining expert witnesses in litigation.

16 (5) The nature of the work is such that the criteria for
17 emergency appointments apply. “Emergency appointment”
18 means an appointment made for a period not to exceed 60 working
19 days either during an actual emergency to prevent the stoppage of
20 public business or because of the limited duration of the work. The
21 method of selection and the qualification standards for an
22 emergency employee shall be determined by the district. The
23 frequency of appointment, length of employment, and the
24 circumstances appropriate for the appointment of firms or
25 individuals under emergency appointments shall be restricted so
26 as to prevent the use of emergency appointments to circumvent the
27 regular or ordinary hiring process.

28 (6) The contractor will provide equipment, materials, facilities,
29 or support services that could not feasibly be provided by the
30 school district in the location where the services are to be
31 performed.

32 (7) The services are of such an urgent, temporary, or occasional
33 nature that the delay incumbent in their implementation under the
34 district’s regular or ordinary hiring process would frustrate their
35 very purpose.

36 (c) This section shall apply to all school districts, including
37 districts that have adopted the merit system.

38 (d) This section shall apply to personal service contracts
39 entered into after January 1, 2003. This section shall not apply to
40 the renewal of personal services contracts subsequent to January



1 1, 2003, where the contract was entered into before January 1,
2 2003, irrespective of whether the contract is renewed or rebid with
3 the existing contractor or with a new contractor.

4 *(e) This section shall become inoperative on January 1, 2004,*
5 *and shall remain inoperative until January 1, 2006. On January*
6 *1, 2006, this section shall, again, become operative and shall*
7 *thereafter be given full force and effect.*

8 SEC. 2. Section 45103.1 is added to the Education Code, to
9 read:

10 45103.1. (a) As used in this section, “school district” means
11 a school district or a county office of education.

12 (b) Notwithstanding any provision of law to the contrary, a
13 school district may contract for any noninstructional services of
14 any type, if the contract is awarded in accordance with the
15 applicable provisions of the Public Contract Code, and the
16 governing board of the school district has determined, in its sole
17 discretion, that the contract will provide a benefit for the school
18 district.

19 (c) The authority to contract for noninstructional services
20 granted by this section, includes, but is not limited to, the right to
21 contract for consulting, management, supervision, and the direct
22 provision of services, in any noninstructional area, including, but
23 not limited to, any of the following:

24 (1) Facilities construction and renovation.

25 (2) Engineering, mechanical, maintenance, and repair.

26 (3) Food preparation and food service.

27 (4) Procurement, distribution, and transportation.

28 (5) Information technology, clerical, payroll, security,
29 accounting, skilled trades, and landscaping.

30 (d) The contract shall be for a mutually agreed upon term,
31 unless otherwise set forth in this chapter or as may be required by
32 federal law.

33 (e) The following circumstances may not be the basis for
34 invalidating a contract entered into pursuant to this section:

35 (1) That it results in or causes the elimination of any classified
36 personnel or position.

37 (2) That it results in or causes any adverse effect upon any
38 classified personnel or position with respect to wages, benefits, or
39 other terms and conditions of employment.

1 (3) That classified service functions, either managerial or
2 direct, are to be performed under the contract by nondistrict
3 personnel.

4 (f) This section is to be administered in a manner that is
5 consistent with Section 35160 authorizing the governing board of
6 any school district to initiate and carry on any program or activity,
7 or to otherwise undertake any action in a manner that is not in
8 conflict with or inconsistent with the purposes for which school
9 districts are established.

10 (g) Sections 45122 to 45126, inclusive, and any health criteria
11 established by the school district, are applicable to all persons
12 providing classified service management consulting services
13 under contracts entered into pursuant to this section.

14 (h) The section shall apply only to contracts entered into or
15 amended after January 1, 2004.

16 (i) This section shall apply to all school districts, including, but
17 not limited to, school districts that have adopted the merit system.
18 Notwithstanding subdivision (e), this section may not be
19 implemented in a manner that conflicts with the merit system
20 adopted by the school district, or that impairs preexisting
21 contractual rights or obligations.

22 ~~SEC. 3. Section 45103.5 of the Education Code is repealed.~~

23 (j) *This section shall remain in effect only until January 1,*
24 *2006, and as of that date is repealed, unless a later enacted statute,*
25 *that is enacted before January 1, 2006, deletes or extends that date.*

26 SEC. 3. *Section 45103.5 of the Education Code is amended to*
27 *read:*

28 45103.5. All contracts for management consulting services
29 relating to food service shall be governed by this section.

30 (a) Notwithstanding Sections 39902, 45103, 45104, and
31 45256, any school district may enter into a contract for
32 management consulting services relating to food service for a term
33 not to exceed one year. Any renewal of that contract, or further
34 requests for proposals to provide food service management
35 consulting services, shall be considered on a year-to-year basis. A
36 contract for food service management consulting services shall not
37 cause or result in the elimination of any food service classified
38 personnel or position. A contract for food service management
39 consulting services shall not cause or result in any adverse effect

1 upon any food service classified personnel or position with respect
2 to wages, benefits, or other terms and conditions of employment.

3 (b) A contract made pursuant to subdivision (a) shall not
4 provide for or result in the supervision of food service classified
5 personnel by the food service management consultant. This
6 section shall not be construed to prevent an entity providing food
7 service management consulting services from interacting or
8 consulting with the food service manager or director, supervisors,
9 or food service classified employees of a school district on matters
10 relating to food services except those prohibited by subdivision
11 (a).

12 (c) Sections 45122, 45123, 45124, 45125, 45125.5, and 45126,
13 and any other health criteria established by the school district, are
14 applicable to all persons providing food service management
15 consulting services under this section.

16 (d) This section shall apply to all school districts, including
17 districts that have adopted the merit system.

18 (e) *This section shall become inoperative on January 1, 2004,*
19 *and shall remain inoperative until January 1, 2006. On January*
20 *1, 2006, this section shall, again, become operative and shall*
21 *thereafter be given full force and effect.*

22 SEC. 4. Section 45103.5 is added to the Education Code, to
23 read:

24 45103.5. (a) For the purposes of this section, “school
25 district” means a school district or a county office of education.

26 (b) Notwithstanding any other provision of law to the contrary,
27 in furtherance of, and without limiting, the authority to enter into
28 contracts pursuant to Section 45103.1, this section shall also
29 govern all contracts entered into by a district for management
30 services relating to food service.

31 (c) A school district may enter into a contract for management
32 services related to food service for a mutually agreed upon term,
33 unless otherwise set forth in this chapter or as may be required by
34 federal law.

35 (d) A contract for food service management services may
36 include, but need not be limited to, management services that
37 provide for, or result in, the supervision of district food service
38 classified personnel by the food service management contractor.

39 (e) “Food service management services” pursuant to this
40 section means any of the following related to the delivery of meals

1 and other food to pupils, but only to the extent that providing the
2 food service management services by the contractor is not
3 inconsistent with, or prohibited by, federal law:

4 (1) Assistance, direction, supervision, or other conduct related
5 to the procurement, menu planning and selection, food
6 preparation, presentation, and serving of food products.

7 (2) Maintenance of food service and preparation facilities.

8 (3) Recordkeeping and inventory.

9 (4) Reimbursements, financial transactions, and the
10 administration of working capital.

11 (5) Any and all other component services associated with the
12 food service function traditionally provided by a school district.

13 (f) The following circumstances may not invalidate a contract
14 entered into pursuant to this section:

15 (1) That it results in or causes the elimination of any food
16 service classified personnel or position.

17 (2) That it results in or causes any adverse effect upon any food
18 service classified personnel or position with respect to wages,
19 benefits, or other terms and conditions of employment.

20 (3) That food service functions, either managerial or direct, are
21 to be performed under the contract by nondistrict personnel.

22 (g) This section is to be administered in a manner that is
23 consistent with Section 35160 authorizing the governing board of
24 any school district to initiate and carry on any program or activity,
25 or to otherwise undertake any action in a manner that is not in
26 conflict with or inconsistent with the purposes for which school
27 districts are established.

28 (h) This section does not release a school district from the
29 obligation to retain authority, oversight, and control over its food
30 service program as otherwise required by federal law.

31 (i) This section applies to all school districts, including districts
32 that have adopted the merit system. Notwithstanding subdivision
33 (f), this section may not be implemented in a manner that conflicts
34 with the merit system adopted by the school district, or that impairs
35 preexisting contractual rights or obligations.

36 ~~SEC. 5. Section 88003.1 of the Education Code is repealed.~~

37 (j) *This section shall remain in effect only until January 1,*
38 *2006, and as of that date is repealed, unless a later enacted statute,*
39 *that is enacted before January 1, 2006, deletes or extends that date.*

1 SEC. 5. *Section 88003.1 of the Education Code is amended to*
2 *read:*

3 88003.1. (a) Notwithstanding any other provision of this
4 chapter, personal services contracting for all services currently or
5 customarily performed by classified school employees to achieve
6 cost savings is permissible, unless otherwise prohibited, when all
7 the following conditions are met:

8 (1) The governing board or contracting agency clearly
9 demonstrates that the proposed contract will result in actual overall
10 cost savings to the community college district, provided that:

11 (A) In comparing costs, there shall be included the community
12 college district's additional cost of providing the same service as
13 proposed by a contractor. These additional costs shall include the
14 salaries and benefits of additional staff that would be needed and
15 the cost of additional space, equipment, and materials needed to
16 perform the function.

17 (B) In comparing costs, there shall not be included the
18 community college district's indirect overhead costs unless these
19 costs can be attributed solely to the function in question and would
20 not exist if that function was not performed by the community
21 college district. Indirect overhead costs shall mean the pro rata
22 share of existing administrative salaries and benefits, rent,
23 equipment costs, utilities, and materials.

24 (C) In comparing costs, there shall be included in the cost of a
25 contractor providing a service any continuing community college
26 district costs that would be directly associated with the contracted
27 function. These continuing community college district costs shall
28 include, but not be limited to, those for inspection, supervision,
29 and monitoring.

30 (2) Proposals to contract out work shall not be approved solely
31 on the basis that savings will result from lower contractor pay rates
32 or benefits. Proposals to contract out work shall be eligible for
33 approval if the contractors wages are at the industry's level and do
34 not undercut community college district pay rates.

35 (3) The contract does not cause the displacement of community
36 college district employees. The term "displacement" includes
37 layoff, demotion, involuntary transfer to a new classification,
38 involuntary transfer to a new location requiring a change of
39 residence, and time base reductions. Displacement does not
40 include changes in shifts or days off, nor does it include

1 reassignment to other positions within the same classification and
2 general location or employment with the contractor, so long as
3 wages and benefits are comparable to those paid by the school
4 district.

5 (4) The savings shall be large enough to ensure that they will
6 not be eliminated by private sector and community college district
7 cost fluctuations that could normally be expected during the
8 contracting period.

9 (5) The amount of savings clearly justify the size and duration
10 of the contracting agreement.

11 (6) The contract is awarded through a publicized, competitive
12 bidding process.

13 (7) The contract includes specific provisions pertaining to the
14 qualifications of the staff that will perform the work under the
15 contract, as well as assurance that the contractor's hiring practices
16 meet applicable nondiscrimination standards.

17 (8) The potential for future economic risk to the community
18 college district from potential contractor rate increases is minimal.

19 (9) The contract is with a firm. A "firm" means a corporation,
20 limited liability corporation, partnership, nonprofit organization,
21 or sole proprietorship.

22 (10) The potential economic advantage of contracting is not
23 outweighed by the public's interest in having a particular function
24 performed directly by the community college district.

25 (b) Notwithstanding any other provision of this chapter,
26 personal services contracting shall also be permissible when any
27 of the following conditions can be met:

28 (1) The contract is for new community college district
29 functions and the Legislature has specifically mandated or
30 authorized the performance of the work by independent
31 contractors.

32 (2) The services contracted are not available within community
33 college districts, cannot be performed satisfactorily by community
34 college district employees, or are of such a highly specialized or
35 technical nature that the necessary expert knowledge, experience,
36 and ability are not available through the community college
37 district.

38 (3) The services are incidental to a contract for the purchase or
39 lease of real or personal property. Contracts under this criterion,
40 known as "service agreements," shall include, but not be limited

1 to, agreements to service or maintain office equipment or
2 computers that are leased or rented.

3 (4) The policy, administrative, or legal goals and purposes of
4 the community college district cannot be accomplished through
5 the utilization of persons selected pursuant to the regular or
6 ordinary hiring process. Contracts are permissible under this
7 criterion to protect against a conflict of interest or to ensure
8 independent and unbiased findings in cases where there is a clear
9 need for a different, outside perspective. These contracts shall
10 include, but not be limited to, obtaining expert witnesses in
11 litigation.

12 (5) The nature of the work is such that the criteria for
13 emergency appointments apply. "Emergency appointment"
14 means an appointment made for a period not to exceed 60 working
15 days either during an actual emergency to prevent the stoppage of
16 public business or because of the limited duration of the work. The
17 method of selection and the qualification standards for an
18 emergency employee shall be determined by the community
19 college district. The frequency of appointment, length of
20 employment, and the circumstances appropriate for the
21 appointment of firms or individuals under emergency
22 appointments shall be restricted so as to prevent the use of
23 emergency appointments to circumvent the regular or ordinary
24 hiring process.

25 (6) The contractor will provide equipment, materials, facilities,
26 or support services that could not feasibly be provided by the
27 community college district in the location where the services are
28 to be performed.

29 (7) The services are of such an urgent, temporary, or occasional
30 nature that the delay incumbent in their implementation under the
31 community college district's regular or ordinary hiring process
32 would frustrate their very purpose.

33 (c) This section shall apply to all community colleges,
34 including community college districts that have adopted the merit
35 system.

36 (d) This section shall apply to personal service contracts
37 entered into after January 1, 2003. This section shall not apply to
38 the renewal of personal services contracts subsequent to January
39 1, 2003, where the contract was entered into before January 1,

2003, irrespective of whether the contract is renewed or rebid with the existing contractor or with a new contractor.

(e) This section shall become inoperative on January 1, 2004, and shall remain inoperative until January 1, 2006. On January 1, 2006, this section shall, again, become operative and shall thereafter be given full force and effect.

SEC. 6. Section 88003.1 is added to the Education Code, to read:

88003.1. (a) Notwithstanding any provision of law to the contrary, a community college district may contract for any noninstructional services of any type, without any limitation, if the contract is awarded in accordance with the applicable provisions of the Public Contract Code, and the governing board of the community college district has determined, in its sole discretion, that the contract will provide a benefit for the community college district.

(b) The authority to contract for noninstructional services pursuant to this section includes, but is not limited to, the right to contract for consulting, management, supervision, and the direct provision of services in any noninstructional area, including, but not limited to, any of the following:

- (1) Facilities construction and renovation.
- (2) Engineering, mechanical, maintenance, and repair.
- (3) Food preparation and food service.
- (4) Procurement, distribution, and transportation.
- (5) Information technology, clerical, payroll, security, accounting, skilled trades, and landscaping.

(c) The contract shall be for a mutually agreed upon term.

(d) The following circumstances may not be the basis for invalidating a contract entered into pursuant to this section:

- (1) That it results in or causes the elimination of any classified personnel or position.
- (2) That it results in or causes any adverse effect upon any classified personnel or position with respect to wages, benefits, or other terms and conditions of employment.
- (3) That classified service functions, either managerial or direct, are to be performed under the contract by nondistrict personnel.

(e) This section is to be administered in a manner that is consistent with Section 70902 authorizing the governing board of

any community college district to initiate and carry on any program or activity, or to otherwise undertake any action in a manner which is not in conflict with or inconsistent with the purposes for which community college districts are established.

(f) Sections 88021 to 88025, inclusive, and any health criteria established by the community college district, are applicable to all persons providing services under contracts entered into pursuant to this section.

(g) This section applies only to contracts entered into or amended after January 1, 2004.

(h) This section applies to all community college districts, including, but not limited to, community college districts that have adopted the merit system. Notwithstanding subdivision (d), this section may not be implemented in a manner that conflicts with the merit system adopted by the community college district or that impairs preexisting contractual rights or obligations.

~~SEC. 7. Section 88004.5 of the Education Code is repealed.~~

(i) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2006, deletes or extends that date.

SEC. 7. Section 88004.5 of the Education Code is amended to read:

88004.5. All contracts for management consulting services relating to food service shall be governed by this section.

(a) Notwithstanding Sections 88003, 88004, 88020.5, and 88076, any community college district may enter into a contract for management consulting services relating to food service for a term not to exceed one year. Any renewal of that contract, or further requests for proposals to provide food service management consulting services, shall be considered on a year-to-year basis. A contract for food service management consulting services shall not cause or result in the elimination of any food service classified personnel or position. A contract for food service management consulting services shall not cause or result in any adverse effect upon any food service classified personnel or position with respect to wages, benefits, or other terms and conditions of employment.

(b) A contract made pursuant to subdivision (a) shall not provide for, or result in the supervision of, food service classified personnel by the food service management consultant. This section shall not be construed to prevent an entity providing food

1 service management consulting services from interacting or
2 consulting with the food service manager or director, supervisors,
3 or food service classified employees of the community college
4 district on matters relating to food services except those prohibited
5 by subdivision (a).

6 (c) Sections 88021, 88022, 88023, 88024, and 88025, and any
7 other health criteria established by the local community college
8 district, are applicable to all persons providing food service
9 management consulting services under this section.

10 (d) This section shall apply to all community college districts,
11 including districts that have adopted the merit system.

12 (e) *This section shall become inoperative on January 1, 2004,*
13 *and shall remain inoperative until January 1, 2006. On January*
14 *1, 2006, this section shall, again, become operative and shall*
15 *thereafter be given full force and effect.*

16 SEC. 8. Section 88004.5 is added to the Education Code, to
17 read:

18 88004.5. (a) Notwithstanding any other provision of law to
19 the contrary, in furtherance of, and without limiting, the authority
20 to enter into contracts pursuant to Section 88003.1, this section
21 shall also govern all contracts entered into by a community college
22 district for management services relating to food service.

23 (b) A community college district may enter into a contract for
24 management services related to food service for a mutually agreed
25 upon term.

26 (c) A contract for food service management services may
27 include, but need not be limited to, management services that
28 provide for or result in the supervision of district food service
29 classified personnel by the food service management contractor.

30 (d) “Food service management services” pursuant to this
31 section means any of the following related to the delivery of meals
32 and other food to students:

33 (1) Assistance, direction, supervision, or other conduct related
34 to procurement, menu planning and selection, food preparation,
35 and the serving of food products.

36 (2) Maintenance of food service and preparation facilities.

37 (3) Recordkeeping and inventory.

38 (4) Reimbursements, financial transactions, and the
39 administration of working capital.

(5) Any and all other component services associated with the food service function traditionally provided by a community college district.

(e) The following circumstances may not be the basis for invalidating a contract entered into pursuant to this section:

(1) That it results in or causes the elimination of any food service classified personnel or position.

(2) That it results in or causes any adverse effect upon any food service classified personnel or position with respect to wages, benefits, or other terms and conditions of employment.

(3) That food service functions, either managerial or direct, are to be performed under the contract by nondistrict personnel.

(f) This section is to be administered in a manner that is consistent with Section 70902 authorizing the governing board of any community college district to initiate and carry on any program or activity, or to otherwise undertake any action in a manner that is not in conflict with or inconsistent with the purposes for which community college districts are established.

(g) This section applies to all community college districts, including districts that have adopted the merit system. Notwithstanding subdivision (e), this section may not be implemented in a manner that conflicts with the merit system adopted by the community college district, or that impairs preexisting contractual rights or obligations.

(h) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2006, deletes or extends that date.

SEC. 9. Section 3562.3 is added to the Government Code, to read:

3562.3. (a) This chapter does not limit the authority, power, right, or ability, of the University of California, the Hastings College of the Law, and the California State University, to enter into contracts with third parties for any noninstructional services, regardless of whether those services were previously performed or could be performed by an employee of the University of California, the Hastings College of the Law, or the California State University.

(b) Notwithstanding Section 3562, for purposes of the University of California, the Hastings College of the Law, or the California State University, “scope of representation” shall not

1 include a decision by the covered entity to contract out for
2 noninstructional services.

3 (c) This section may not be implemented in a manner that
4 conflicts with the merit system, as applicable, or that impairs
5 preexisting contractual rights or obligations.

6 (d) *This section shall remain in effect only until January 1,*
7 *2006, and as of that date is repealed, unless a later enacted statute,*
8 *that is enacted before January 1, 2006, deletes or extends that date.*

